

# *PHI INDUSTRIES PRIVATE LIMITED*



**7<sup>th</sup> ANNUAL REPORT 2021**



## **PH 1 INDUSTRIES PRIVATE LIMITED**

### **BOARD OF DIRECTORS**

|                    |          |
|--------------------|----------|
| Mr S.Saravanan     | Director |
| Mr B.Prabakaran    | Director |
| Mr E.Surendra Babu | Director |
| Mr J.Bhaskar       | Director |

### **REGISTERED OFFICE**

No.13-59, Indira Gandhi Nagar,  
Opp: IDPL Colony, Main Gate, Balanagar,  
Hyderabad, India

### **AUDITORS**

M/s. M S P R & Co., Chartered Accountants

Unit No.5, 4th Floor, Imperial towers,  
Beside Ameerpet Metro Station,  
Hyderabad-500016,

### **BANKERS**

IDBI Bank, Hyd

## NOTICE

PH1 INDUSTRIES PRIVATE LIMITED

CIN: U24233TG2015PTC097503

Plot No 149, Survey No 866/1Medchal Village, Medchal Mandal, Ranga Reddy TG 501401 In

Notice is hereby given that the 7<sup>th</sup> Annual General Meeting of the Members of **M/s. Ph1 Industries Private Limited** will be held on Tuesday, November 30<sup>th</sup>, 2021 at 10.30 a.m. at the registered office of the Company situated at Plot No 149, Survey No 866/1Medchal Village, Medchal Mandal, Ranga Reddy, TG 501401 India to transact the following business:

### Ordinary Business

#### 1. Adoption of financial statements

To receive, consider and adopt the audited financial statements of the Company for the year ended March 31, 2021, including the audited Balance Sheet as at March 31, 2021, the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date and the reports of the Board of Directors ('the Board') and Auditors thereon and in this regard pass the **Ordinary Resolution**.

**"RESOLVED THAT** the audited financial statements of the Company for the year ended March 31, 2021 together with the reports of the Directors and Auditors thereon be and are hereby received, considered, approved and adopted.

By order of the Board of Directors

For **Ph1 Industries Private Limited**



  
**Prabakaran Bhaskaran**  
Director  
DIN: 07074224

  
**Surendra Babu Ellappa**  
Director  
DIN: 07074257

Place: Hyderabad

Date: 01-10-2021

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1. A Member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and, on a poll, to vote instead of himself and the Proxy need not be a Member of the company.
2. Proxies, in order to be effective, must be received in the enclosed Proxy Form at the Registered Office of the company not less than forty-eight hours before the time fixed for the Meeting.
3. A person appointed as proxy, can act as a proxy for not more than 50 Members and holding in aggregate not more than 10% of the total paid up share capital of the Company having voting rights. A Member holding more than 10% of the paid up share capital of the Company may appoint a single person as proxy and such person appointed cannot act as proxy for any other Member.
4. A Corporate Member intending to send its authorized representatives to attend the Meeting in terms of Section 113 of the Companies Act, 2013 is requested to send to the company a certified copy of the Board Resolution authorizing such representative to attend and vote on its behalf at the Meeting.



## DIRECTORS REPORT

To,  
The Members,  
Ph1 Industries Private Limited,  
Hyderabad.

Your Directors have great pleasure in presenting the 7<sup>th</sup> Annual Report on the business and operations of the Company together with the Audited Accounts and Auditors' Report for the financial year ended March 31, 2021 containing the matters as required under Section 134(3) of the Companies Act, 2013 (the Act) and Companies (Accounts) Rules, 2014 (the Rules).

### 1. **Financial results:**

The Company's financial performances for the year under review along with previous year's figures are given hereunder

(Rs. in Lakhs)

| <i>Particulars</i>          | <i>Year ended<br/>31.03.2021</i> | <i>Year ended<br/>31.03.2020</i> |
|-----------------------------|----------------------------------|----------------------------------|
| <i>Total Income</i>         | <i>618.47</i>                    | <i>753.58</i>                    |
| <i>Total Expenses</i>       | <i>599.39</i>                    | <i>730.63</i>                    |
| <i>Profit Before Tax</i>    | <i>19.08</i>                     | <i>22.95</i>                     |
| <i>Less: Taxes</i>          |                                  |                                  |
| <i>Current Tax</i>          | <i>1.21</i>                      | <i>-</i>                         |
| <i>Deferred Tax</i>         | <i>0.99</i>                      | <i>1.09</i>                      |
| <i>Profit After Tax (A)</i> | <i>16.88</i>                     | <i>21.86</i>                     |

### 2. **State of affairs and operational highlights**

The Company generated total revenue of Rs6,18,46,523/- with a Net Profit after tax of Rs 16,87,721/- during the financial year ended 31.03.2021 against total revenue of Rs.7,53,57,562/-with a Net Profit after tax of Rs.21,86,219/- during the previous financial year ended 31.03.2020.

We had a very productive year, engaging with customers in their innovation, growth and transformation initiatives, expanding and deepening our relationships, deploying very impactful solutions, and winning some of our largest deals till date.

We are entering the new fiscal year at a time when all major economies have been brought to a standstill. The impact has been very fast and widespread, and the next few months will be very difficult for everyone, individuals and organizations. On the other hand, the economic downturn is not due to any structural problem in any industry, but due to an externality that has hit the pause button on all economic activity.

Whenever that externality is removed, an equally quick recovery should follow. We are staying close to our customers, aligning ourselves to their evolving Priorities, staying lean and nimble, finding newer ways to create value, and launching newer offerings that address current imperatives. With all these strengths, we believe our relative competitiveness will only get better through the months ahead, and we will come out of this downturn, better positioned than ever to help our customers get back onto their longer-term growth and transformation journeys, and to lead in the new normal. As we navigate these uncertain times together with our customers, we look forward to your continued support.

### **3. Change in nature of business**

During the year company has not changed its nature of business.

### **4. Material changes and commitment if any affecting the financial position of the Company occurred between the end of the financial year to which this Financial Statements relate and the date of the report**

No material changes and commitments have occurred after the close of the year till the date of this Report, which affect the financial position of the Company.

### **5. Subsidiaries, Joint Ventures and Associate Companies**

The Company does not have any Subsidiary, Joint venture or Associate Company

### **6. Share Capital**

- ♦ Authorized Share Capital: The Authorized Capital of the Company as on 31.03.2021 was Rs1,00,00,000/- comprising of 10,00,000 Equity Shares of Rs.10 each.
- ♦ Paid-up Share Capital: The Issued and Paid up Capital of the Company as on 31.03.2021 was Rs90,00,000/- comprising of 9,00,000 Equity Shares of Rs.10 each..
- ♦ Buy Back of Securities: The Company has not bought back any of its securities during the year under review.
- ♦ Sweat Equity: The Company has not issued any Sweat Equity Shares during the year under review.
- ♦ Bonus Shares: The Company has not issued any Bonus Shares during the year under review.
- ♦ Employees Stock Option: The Company has not provided any employee stock options to the employees.

### **7. Deposits**

The Company has not accepted any deposits during the year.

## 8. Particulars of Loans, Guarantees or Investments made under Section 186 of the Companies Act, 2013

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

## 9. Particulars of contracts or arrangements made with related parties

All Related Party Transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. Hence, the provisions of Section 188 of the Companies Act, 2013 are not attracted. Thus, disclosure in Form AOC-2 is not required. Further, there are no materially significant Related Party Transactions during the year under review made by the Company with Promoters, Directors, Managerial Personnel or other designated persons.

## 10. Transfer to Reserves

The Company has transferred an amount of Zero to the General Reserves.

## 11. Dividend

The Company has not declared any dividend during the year under review.

## 12. Directors

As on 31.03.2021 the Board of Directors of the Company (Board) comprised of 4 (Four) Directors namely Mr.Saravanan Saminathan, Mr.Prabakaran Bhaskaran, Mr.Surendra Babu Ellappa Raj and Mr.Bhaskar Jaganathan. The composition of the Board is in conformity with the provisions of the Act and other applicable provisions.

## 13. Board Meetings

The Board met five times during the financial year 2020-2021 viz., on 30.04.2020, 24.07.2020, 20.10.2020, 21.11.2020 and 19.02.2021. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013.

The details of the meetings held and the attendance of Directors is given below:

| Director        | Dates of Board Meetings and attendance |            |            |            |            |
|-----------------|----------------------------------------|------------|------------|------------|------------|
|                 | 30.04.2020                             | 24.07.2020 | 20.10.2020 | 21.11.2020 | 19.02.2021 |
| J.Bhaskar       | Yes                                    | Yes        | Yes        | Yes        | Yes        |
| E.Surendra Babu | Yes                                    | Yes        | Yes        | Yes        | Yes        |
| B.Prabakaran    | Yes                                    | Yes        | Yes        | Yes        | Yes        |
| S.Saravanan     | Yes                                    | Yes        | Yes        | Yes        | Yes        |

#### **14. Statutory Auditors**

Pursuant to the Provisions of Section 139 of the Act and the rules framed thereafter, M/s. M S P R & Co., Chartered Accountants (FRN 010152S) were appointed as the Statutory Auditors of the Company to hold office from the conclusion of the 6th Annual General Meeting (AGM) held on 21.12.2020 until the conclusion of 11th AGM of the Company to be held in the year 2025 (subject to ratification of their appointment by the Members at every AGM held after the AGM held on 21.12.2020).

Pursuant to the amendment in Section 139 of the Act, requirement of ratification of appointment of Statutory Auditors at every Annual General Meeting has been omitted, accordingly the proposal for ratification of the appointment of M/s. M S P R & Co., Chartered Accountants has not been considered.

The Auditor's Report for the financial year 2020-21 does not contain any qualification, reservation or adverse remark.

#### **15. Cost Audit**

In terms of the provisions of Section 148 of the Companies Act, 2013, read with Rule 3 & 4 of The Companies (Cost Record and Audit) Rules, 2014 and all other applicable provisions of the Companies Act, 2013, the Cost Audit is not applicable to the Company

#### **16. Secretarial Audit**

In terms of the Provisions of Section 204 of the Companies Act, 2013, read with Rule 9 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and all other applicable provisions of the Companies Act, 2013, the Secretarial Audit is not applicable to the Company.

#### **17. Secretarial Standards**

The Company is complying with all applicable Secretarial Standards.

#### **18. Explanation or comments on qualifications, reservations or adverse remarks or disclaimers made by the Auditors in their reports**

The Auditors' Report does not contain any qualification, reservation or adverse remark. There have been no instances of fraud reported by the Statutory Auditors under Section 143(12) of Companies Act, 2013 read with rules framed there under, either to the Company or to the Central Government.

#### **19. Significant and material orders**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

**20. Particulars of Employees**

There are no employees whose details need to be reported in terms of the provisions of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**21. Conservation of energy, research and development, technology absorption, foreign exchange earnings and outgo**

The statement showing the particulars of conservation of energy is not applicable since the operations of the company are not energy intensive. Technology absorption, foreign exchange earnings and outgo as required under Sub-section (3)(m) of Section 134 of the Companies Act, 2013, read with Rule 8(3) of Companies (Accounts) Rules, 2014 is enclosed as **Annexure-I**.

**22. Disclosure of composition of Audit Committee**

The provisions of Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013 is not applicable to the Company.

**23. Directors' Responsibility Statement**

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors hereby confirms as under:

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The directors have prepared the annual accounts on a going concern basis; and
- e) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**24. Company's policy relating to directors appointment, payment of remuneration and discharge of their duties**

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are not applicable to the Company and hence the Company has not devised any policy relating to appointment of Directors, payment of Managerial remuneration, Directors qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013.

**25. Vigil Mechanism**

The provisions of Section 177 of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013 is not applicable to the Company.

**26. Corporate Social Responsibility**

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

**27. Risk Management Policy**

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. The company's internal control systems with reference to the financial statements are adequate and commensurate with the nature of its business and the size and complexity of its operations.

**28. Internal financial controls**

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

**29. Policy on prevention of Sexual Harassment at workplace**

The Company has in place a Prevention of Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the workplace (Prevention, Prohibition & Redressal) Act, 2013. A committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

**30. Details in respect of frauds reported by Auditors under Section 143(12) other than those which are reportable to the Central Government**

There were no frauds as reported by the Statutory Auditors under sub-section 12 of Section 143 of the Companies Act, 2013 along with Rules made there-under other than those which are reportable to the Central Government.

**31. Personnel**

The relationship with the employees at different levels in the Company remained cordial throughout the year. Your Directors place their appreciation for the contribution made by all the employees of the Company.

### 32. Acknowledgements

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Companies activities during the year under review. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

**For and on behalf of the Board of Directors of  
Ph1 Industries Private Limited**



**Prabakaran Bhaskaran**

**Director**

**DIN: 07074224**



**Surendra Babu Ellappa**

**Director**

**DIN: 07074257**

Place: Hyderabad

Date: 01-10-2021

# Annexure – I

## Details of Conversation of Energy

|         |                                                                                                                          |                                                                                                                                                                                           |         |   |         |   |
|---------|--------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|---|---------|---|
| (A)     | Conservation of energy-                                                                                                  | The consumption of energy is very less and no significant measures taken for conservation, no additional investment for the same and no significant impact on the consumptions of energy. |         |   |         |   |
| (i)     | the steps taken or impact on conservation of energy;                                                                     |                                                                                                                                                                                           |         |   |         |   |
| (ii)    | the steps taken by the company for utilizing alternate sources of energy;                                                |                                                                                                                                                                                           |         |   |         |   |
| (iii)   | the capital investment on energy conservation equipment's;                                                               |                                                                                                                                                                                           |         |   |         |   |
| (B)     | Technology absorption-                                                                                                   | Nil                                                                                                                                                                                       |         |   |         |   |
| (i)     | The efforts made towards technology absorption;                                                                          |                                                                                                                                                                                           |         |   |         |   |
| (ii)    | The benefits derived like product improvement, cost reduction, product development or import substitution;               |                                                                                                                                                                                           |         |   |         |   |
| (iii)   | In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- | Nil                                                                                                                                                                                       |         |   |         |   |
| (a)     | The details of technology imported;                                                                                      |                                                                                                                                                                                           |         |   |         |   |
| (b)     | The year of import;                                                                                                      |                                                                                                                                                                                           |         |   |         |   |
| (c)     | Whether the technology been fully absorbed;                                                                              |                                                                                                                                                                                           |         |   |         |   |
| (d)     | If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and                          |                                                                                                                                                                                           |         |   |         |   |
| (iv)    | The expenditure incurred on Research and Development.                                                                    | (in Rupees) <table><tr><td>Capital</td><td>-</td></tr><tr><td>Revenue</td><td>-</td></tr></table>                                                                                         | Capital | - | Revenue | - |
| Capital | -                                                                                                                        |                                                                                                                                                                                           |         |   |         |   |
| Revenue | -                                                                                                                        |                                                                                                                                                                                           |         |   |         |   |
| (C)     | Foreign exchange earnings and outgo-<br>Rupees)                                                                          | (in                                                                                                                                                                                       |         |   |         |   |
|         | Foreign exchange earned in terms of actual inflows                                                                       | -                                                                                                                                                                                         |         |   |         |   |
|         | Foreign exchange outgo in terms of actual outflows                                                                       | -                                                                                                                                                                                         |         |   |         |   |

For and on behalf of the Board of Directors of  
Ph1 Industries Private Limited



B.Prabakaran

Director

DIN: 07074224




E.Surendra Babu

Director

DIN: 07074257

Place: Hyderabad

Date: 01-10-2021



## INDEPENDENT AUDITOR'S REPORT

**MSPR&CO.,**  
**Chartered Accountants**

Unit No.5, 4<sup>th</sup> Floor, Imperial towers, Beside Ameerpet Metro Station,  
Ameerpet, Hyderabad, Telangana, India - 500016.  
Email: [info@mspr.co.in](mailto:info@mspr.co.in)/Ph:040-23757444/040-23747444

To

The Members of **Ph1 Industries Private Limited**

### **Report on the audit of the financial statements**

#### **I. Opinion**

We have audited the accompanying financial statements of Ph1 Industries Private Limited ("the Company"), which comprise the balance sheet as at March 31, 2021, and the Statement of Profit and Loss for the year then ended, Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its Profit for the year ended on that date.

#### **II. Basis for opinion**

We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **III. Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

**IV. Information other than the financial statements and auditors' report thereon**

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

**V. Management's responsibility for the financial statements**

The Company's board of directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The boards of directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- a. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- e. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- f. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **VII. Report on other legal and regulatory requirements**

As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of Section 143 (11) of the Companies Act, 2013, we enclose in the Annexure 'A' statement of the matters specified in paragraph 3 and 4 of the said order to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Balance Sheet and the Statement of Profit and Loss dealt with by this report are in agreement with the books of account;
- d) In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of the written representations received from the directors of PH1 INDUSTRIES PRIVATE LIMITED as on March 31, 2021 and taken on record by the Board of Directors, we report that they are not disqualified from being appointed as a directors in terms of Section 164 (2) of the Act;

- f) Since the Company's turnover as per last audited financial statements is less than Rs.50 Crores and its borrowings from banks and financial institutions at any time during the year is less than Rs.25 Crores, the Company is exempted from getting an audit opinion with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls vide notification dated June 13, 2017;

For M S P R & Co.,  
Chartered Accountants  
Firm Regn. No: 010152S

Place: Hyderabad  
Date: 01-10-2021

  
CA. E.Venkatesh



Partner

Membership No: 241397  
UDIN: 21241397AAAAJY8495

## ANNEXURE 'A' TO THE AUDITOR'S REPORT

[Referred to in paragraph 7 of the Auditors' report of even date to the Members of PH1 Industries Pvt Ltd on the financial statements for the year ended March 31, 2021]

| S. No. | Particulars                                                                                                                                                                                                                                                       | Auditors Remark                                   |
|--------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|
| (i)    | (a) Whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed asset;                                                                                                                      | Yes                                               |
|        | (b) Whether these fixed assets have been physically verified by the management at reasonable intervals;<br>whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account | Yes.<br><br>No material discrepancies identified. |
|        | (c) Whether the title deeds of immovable properties are held in the name of the company. If not, provide the details thereof;                                                                                                                                     | Yes                                               |
| (ii)   | whether physical verification of inventory has been conducted at reasonable intervals by the management and whether any material discrepancies were noticed and if so, whether they have been properly dealt with in the book of account;;                        | Yes. No material discrepancies identified         |
| (iii)  | Whether the company has granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act 2013. If so,                                       | NO                                                |
|        | (a) whether the terms and conditions of the grant of such loans are not prejudicial to the company's interest;                                                                                                                                                    | Not Applicable                                    |
|        | (b) whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular;                                                                                                                | Not Applicable                                    |
|        | (c) if the amount is overdue, state the total amount overdue for more than ninety days, and whether reasonable steps have been taken by the company for recovery of the principal and interest;                                                                   | Not Applicable                                    |
| (iv)   | In respect of loans, investments, guarantees, and security whether provisions of section 185 and 186 of the Companies Act, 2013 have been complied with. If not, provide the details thereof.                                                                     | Not Applicable                                    |
| (v)    | In case, the company has accepted deposits, whether the directives issued by the                                                                                                                                                                                  | The Company has                                   |

|        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                            |
|--------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|
|        | Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under, where applicable, have been complied with? If not, the nature of such contraventions be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not?                                                 | not accepted any deposits. |
| (vi)   | Whether maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and whether such accounts and records have been so made and maintained.                                                                                                                                                                                                                                                                                   | Not Applicable             |
| (vii)  | (a) whether the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated; | Yes                        |
|        | (b) where dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned. (A mere representation to the concerned Department shall not be treated as a dispute).                                                                                                                                                            | No such amounts payable.   |
| (viii) | Whether the company has defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders? If yes, the period and the amount of default to be reported (in case of defaults, to banks, financial institutions, and Government, lender wise details to be provided).                                                                                                                                                                                   | No                         |
| (ix)   | Whether moneys raised by way of initial public offer or further public offer (including debt instruments) and term loans were applied for the purposes for which those are raised. If not, the details together with delays or default and subsequent rectification, if any, as may be applicable, be reported;                                                                                                                                                                                            | Not Applicable             |
| (x)    | whether any fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year; If yes, the nature and the amount involved is to be indicated;                                                                                                                                                                                                                                                                                                     | No Such Defaults           |
| (xi)   | Whether managerial remuneration has been paid or provided in accordance with the requisite approvals Mandated by the provisions of section 197 read with Schedule V to                                                                                                                                                                                                                                                                                                                                     | Not Applicable             |

|        |                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                |
|--------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
|        | the Companies Act? If not, state the amount involved and steps taken by the company for securing refund of the same;                                                                                                                                                                                                                                                                                                                                       |                |
| (xii)  | whether the Nidhi Company has complied with the Net Owned Funds to Deposits in the ratio of 1:20 to meet out the liability and whether the Nidhi Company is maintaining ten per cent unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability;                                                                                                                                                                           | No             |
| (xiii) | whether all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;                                                                                                                                                                                            | Yes.           |
| (xiv)  | Whether the company has made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and if so, as to whether the requirement of section 42 of the Companies Act, 2013 have been complied with and the amount raised have been used for the purposes for which the funds were raised. If not, provide the details in respect of the amount involved and nature of non-compliance; | Not Applicable |
| (xv)   | whether the company has entered into any non-cash transactions with directors or persons connected with him and if so, whether the provisions of section 192 of Companies Act, 2013 have been complied with;                                                                                                                                                                                                                                               | Not Applicable |
| (xvi)  | whether the company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and if so, whether the registration has been obtained.                                                                                                                                                                                                                                                                                         | Not Applicable |

For M S P R & Co.,

Chartered Accountants

Firm Regn. No: 010152S

Place: Hyderabad

Date: 01-10-2021

  
CA. E. Venkatesh

Partner

Membership No: 241397

UDIN: 21241397AAAAJY8495



Name of the Assessee

PH1 Industries Private Limited

Address

No.13-59, indira gandhi nagar, Opp: IDPL colony,  
main gate, ,balanagar, Hyderabad-500037

P A N Number

AAHCP9853A

Date of Incorporation

03-02-2015

Status

Domestic Company (in which public are not substantially Interested)

Previous Year

2020-21

Assesment Year

2021-22

*Pakalati's*

| COMPUTATION OF TOTAL INCOME                                                              |              |              |
|------------------------------------------------------------------------------------------|--------------|--------------|
|                                                                                          | Amount (Rs.) | Amount (Rs.) |
| <b>Income from Business/Profession :</b>                                                 |              |              |
| Net Profit as per Profit & Loss Account                                                  |              | 1,907,676    |
| Add:                                                                                     |              |              |
| Depreciation & Amortization as per Companies Act,2013                                    | 748,439      |              |
| Preliminary Exp Written off                                                              | -            | 748,439      |
| Deductions:                                                                              |              |              |
| Depreciation as per Income tax Act                                                       |              |              |
| -Normal Depreciation                                                                     | 1,127,501    |              |
| -Additional Depreciation                                                                 | 3,230        |              |
| Preliminary Exp Written off allowable(1/5)                                               | -            | 1,130,731    |
| <b>Add: Disallowance ESIC Employee Contribution Late Remittance (Section 36(1)(via))</b> | 2,040        | 1,525,385    |
| Carried Forward Losses Adjusted                                                          |              |              |
| (i) Business Loss                                                                        | 1,062,702    |              |
| (ii) Depreciation Loss                                                                   | -            | 1,527,425    |
| <b>Net Total Income</b>                                                                  |              | 464,723      |
| <b>Net Total Income (ROUNDED OFF)</b>                                                    |              | 464,720      |
| <b>Tax Caluculations:</b>                                                                |              |              |
| Tax on Business Income @25%                                                              | 116,180      |              |
| Add: Surcharge @ 7%                                                                      | -            |              |
|                                                                                          | 116,180      |              |
| Add: Education cess @4% on Tax and Surcharge                                             | 4,647        |              |
|                                                                                          |              | 120,827      |
| MAT                                                                                      |              | 297,598      |
| Less: MAT adjusted                                                                       |              | -            |
| BalanceTax Payable after adjusting MAT Credit                                            |              | 297,598      |
| Less: Tax Collected at Source                                                            |              | 279          |
| Less: Tax Deducted At Source                                                             |              | 15,278       |
| Balance Tax Payable                                                                      |              | 282,041      |
| Less : Advance Tax Paid on or before 15 Jun                                              | -            |              |
| Advance Tax Paid on or before 15 Sep but after 15 Jun                                    | -            |              |
| Advance Tax Paid on or before 15 Dec but after 15 Sep                                    | -            |              |
| Advance Tax Paid on or before 15 Mar but after 15 Dec                                    | -            | -            |
|                                                                                          |              | 282,041      |
| Tax paid after 15 Mar but before 31 Mar                                                  |              | -            |
| Tax Payable/(Refund Due)                                                                 |              | 282,041      |
| Add: Interest U/S234A                                                                    | 2,820        |              |
| Interest U/S234B                                                                         | 22,560       |              |
| Interest U/S234C                                                                         | 14,241       | 39,622       |
|                                                                                          |              | 321,663      |
| Less: Self Assessment Tax Paid on                                                        |              | -            |
| <b>Tax Payable/(Refund Due)</b>                                                          |              | 321,660      |

**PH1 INDUSTRIES PRIVATE LIMITED**  
**BALANCE SHEET AS ON 31-03-2021**

| PARTICULARS                       | NOTE | AS AT 31-03-2021 |                   | AS AT 31-03-2020 |                   |
|-----------------------------------|------|------------------|-------------------|------------------|-------------------|
|                                   |      | Rs               | Rs                |                  | Rs                |
| <b>EQUITY AND LIABILITIES</b>     |      |                  |                   |                  |                   |
| <b>Share Holder's funds</b>       |      |                  |                   |                  |                   |
| (a) Share Capital                 | 2.1  | 9,000,000        |                   | 9,000,000        |                   |
| (b) Reserves & Surplus            | 2.2  | 3,520,206        | 12,520,206        | 1,832,752        | 10,832,752        |
| Share App Money pending allotment |      |                  | -                 |                  | -                 |
| <b>Non Current Liabilities</b>    |      |                  |                   |                  |                   |
| (a) Long Term Borrowings          | 2.3  | -                |                   | 221,990          |                   |
| (b) Deferred Tax Liability        | 2.4  | 1,312,732        |                   | 1,213,336        |                   |
| (c) Other Long Term Liabilities   |      | 8,675,653        |                   | -                |                   |
| (d) Long Term Provisions          |      | -                | 9,988,385         | -                | 1,435,326         |
| <b>Current Liabilities</b>        |      |                  |                   |                  |                   |
| (a) Short Term Borrowings         | 2.5  | 9,992,733        |                   | 110,000          |                   |
| (b) Trade Payables                | 2.6  | 27,579,927       |                   | 33,982,444       |                   |
| (c) Other Current Liabilities     | 2.7  | 1,654,685        |                   | 646,627          |                   |
| (d) Short Term Provisions         | 2.8  | 1,313,770        | 40,541,115        | 1,231,601        | 35,970,672        |
|                                   |      |                  | <b>63,049,705</b> |                  | <b>48,238,750</b> |
| <b>ASSETS</b>                     |      |                  |                   |                  |                   |
| <b>Non Current Assets</b>         |      |                  |                   |                  |                   |
| (a) Fixed Assets                  |      |                  |                   |                  |                   |
| (i) Tangible Assets               | 2.9  | 19,386,128       |                   | 19,024,372       |                   |
| (ii) Intangible Assets            |      | -                |                   | -                |                   |
| (iii) Capital WIP                 |      | -                |                   | -                |                   |
| (b) Non-Current Investments       |      | -                |                   | -                |                   |
| (c) Deferred Tax Asset            |      | -                |                   | -                |                   |
| (d) Long-Term Loans & Advances    |      | -                |                   | -                |                   |
| (e) Other Non-Current Assets      |      | -                | 19,386,128        | -                | 19,024,372        |
| <b>Current Assets</b>             |      |                  |                   |                  |                   |
| (a) Inventory                     | 2.15 | 12,722,606       |                   | 12,036,422       |                   |
| (b) Trade Receivables             | 2.10 | 27,568,155       |                   | 13,721,063       |                   |
| (c) Cash and Cash Equivalents     | 2.11 | 21,375           |                   | 815,076          |                   |
| (d) Short Term Loans & Advances   |      | -                |                   | -                |                   |
| (e) Other Current Assets          | 2.12 | 3,351,440        | 43,663,577        | 2,641,817        | 29,214,378        |
|                                   |      |                  | <b>63,049,705</b> |                  | <b>48,238,750</b> |

The Accompanying notes 2.1-2.18 and Significant Accounting Policies form an integral part of the standalone financial statements

As per our report attached

**For M S P R & Co.,**

Chartered Accountants

Firm No. 010152S

  
**CA. E Venkatesh**  
Partner

M.No. 241397

Place: Hyderabad

Date: 01-10-2021

UDIN : 21241397AAAAJY8495

**For and on behalf of the board**



**B. Prabhakaran**

Director

Din:07074224



**E. Surendra Babu**

Director

Din:07074257





**PH1 INDUSTRIES PRIVATE LIMITED**  
**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31-03-2021**

| PARTICULARS                        | NOTE | FOR THE YEAR ENDED 31-03-2021 |            | FOR THE YEAR ENDED 31-03-2020 |            |
|------------------------------------|------|-------------------------------|------------|-------------------------------|------------|
|                                    |      | Rs.                           | Rs.        |                               | Rs.        |
| <b>REVENUE</b>                     |      |                               |            |                               |            |
| Revenue from Operations            | 2.13 | 61,771,735                    |            | 75,252,500                    |            |
| Other Income                       | 2.14 | 74,788                        |            | 105,062                       |            |
| <b>TOTAL REVENUE</b>               |      |                               | 61,846,523 |                               | 75,357,562 |
| <b>EXPENSES</b>                    |      |                               |            |                               |            |
| Cost of Materials Consumed         | 2.15 | 31,214,319                    |            | 50,016,257                    |            |
| Change In Inventory                |      |                               |            | -                             |            |
| Personal Cost                      | 2.16 | 17,748,381                    |            | 14,299,614                    |            |
| Finance Cost                       | 2.17 | 436,265                       |            | 227,975                       |            |
| Depreciation & Amortisation Exp    | 2.9  | 748,439                       |            | 665,578                       |            |
| Other Expenses                     | 2.18 | 9,791,443                     |            | 7,853,201                     |            |
| <b>TOTAL EXPENSES</b>              |      |                               | 59,938,846 |                               | 73,062,624 |
| <b>PROFIT BEFORE TAX</b>           |      |                               | 1,907,676  |                               | 2,294,938  |
| Tax Expense                        |      |                               |            |                               |            |
| Current Tax                        |      | 120,827                       |            | -                             |            |
| Deferred Tax                       |      | 99,396                        |            | 108,719                       |            |
| <b>PROFIT FOR THE PERIOD</b>       |      |                               | 1,687,454  |                               | 2,186,219  |
| <b>EARNINGS PER EQUITY SHARE</b>   |      |                               |            |                               |            |
| (a) Basic                          |      |                               | 1.87       |                               | 2.43       |
| (b) Diluted                        |      |                               | 1.87       |                               | 2.43       |
| Number of shares used in computing |      |                               |            |                               |            |
| Basic                              |      |                               | 900,000    |                               | 900,000    |
| Diluted                            |      |                               | 900,000    |                               | 900,000    |

The Accompanying notes 2.1-2.18 and Significant Accounting Policies form an integral part of the standalone financial statements

As per our report attached

**For M S P R & Co.,**

Chartered Accountants

Firm No. 010152S

**For and on behalf of the board**

  
**CA. E Venkatesh**  
 Partner  
 M.No. 241397  
 Place: Hyderabad  
 Date: 01-10-2021  
 UDIN : 21241397AAAAJY8495



  
**B. Prabakaran**  
 Director  
 Din:07074224

  
**E. Surendra Babu**  
 Director  
 Din:07074257



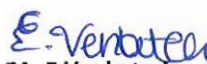
**PH1 INDUSTRIES PRIVATE LIMITED**  
**CASHFLOW STATEMENT FOR THE YEAR ENDED 31-03-2021**

| PARITCULARS                                             | FOR THE YEAR ENDED<br>31-03-2021 | FOR THE YEAR ENDED<br>31-03-2020 |
|---------------------------------------------------------|----------------------------------|----------------------------------|
| <b>Cash flows from Operating Activities</b>             |                                  |                                  |
| Profit before taxation                                  | 1,907,676                        | 2,294,938                        |
| <b>Adjustments for:</b>                                 |                                  |                                  |
| Depreciation                                            | 748,439                          | 665,578                          |
| Investment income                                       | -                                | -                                |
| Interest expense                                        | 17,216                           | 121,846                          |
| Profit/(Loss) on sale of property                       | -                                | -                                |
| <b>Working capital changes</b>                          | (20,555,190)                     | 611,927                          |
| Cash generated from operations                          | (17,881,858)                     | 3,694,289                        |
| Interest paid                                           | (17,216)                         | (121,846)                        |
| Income taxes paid                                       | (120,827)                        | -                                |
| Dividends paid                                          | -                                | -                                |
| <b>Net cash from (used in) Operating Activities</b>     | <b>(18,019,901)</b>              | <b>3,572,443</b>                 |
| <b>Cash flows from Investing Activities</b>             |                                  |                                  |
| Business acquisitions, net of cash acquired             | -                                | -                                |
| Purchase of Assets                                      | (1,110,195)                      | (541,876)                        |
| Proceeds from sale of assets                            | -                                | -                                |
| Acquisition of portfolio investments                    | -                                | -                                |
| <b>Net cash from (used in) Investing Activities</b>     | <b>(1,110,195)</b>               | <b>(541,876)</b>                 |
| <b>Cash flows from financing activities</b>             |                                  |                                  |
| Proceeds from issue of share capital                    | -                                | -                                |
| Proceeds from long-term borrowings                      | 8,675,653                        | -                                |
| Proceeds from Short-term borrowings                     | 9,882,733                        | (2,177,068)                      |
| Payment of long-term borrowings                         | (221,990)                        | (110,010)                        |
| Payment of Short-term borrowings                        | -                                | -                                |
| <b>Net cash from (used in) Financing Activities</b>     | <b>18,336,396</b>                | <b>(2,287,078)</b>               |
| <b>Net increase in cash and cash equivalents</b>        | <b>(793,701)</b>                 | <b>743,489</b>                   |
| <b>Cash and cash equivalents at beginning of period</b> | <b>815,076</b>                   | <b>71,587</b>                    |
| <b>Cash and cash equivalents at end of period</b>       | <b>21,375</b>                    | <b>815,076</b>                   |

For M S P R & Co.,

Chartered Accountants

Firm No. 010152S

  
CA. E Venkatesh

Partner

M.No. 241397

Place: Hyderabad

Date: 01-10-2021

UDIN : 21241397AAAAJY8495



For and on behalf of the board



B. Prabakaran

Director

Din:07074224



E. Surendra Babu

Director

Din:07074257



**2. Notes on accounts:**

The previous period figures have been regrouped/reclassified, wherever necessary to conform to the current presentation.

**NOTE 1: SHARE CAPITAL**

| PARTICULARS                                                                                                         | AS AT 31-03-2021 | AS AT 31-03-2020 |
|---------------------------------------------------------------------------------------------------------------------|------------------|------------------|
|                                                                                                                     | Rs.              | Rs.              |
| <b>Authorised:</b>                                                                                                  |                  |                  |
| Equity shares                                                                                                       |                  |                  |
| 10,00,000 Equity Shares of Rs. 10/- at par value (previous Year - 10,00,000 Equity shares of Rs. 10/- at par value) | 10,00,000        | 10,00,000        |
|                                                                                                                     | <b>10,00,000</b> | <b>10,00,000</b> |
| <b>Issued,Subscribed and paidup:</b>                                                                                |                  |                  |
| Equity shares                                                                                                       |                  |                  |
| 9,00,000 Equity Shares of Rs. 10/- at par value (previous Year - 9,00,000 Equity shares of Rs. 10/- at par value)   | 9,00,000         | 9,00,000         |
| <b>Total</b>                                                                                                        | <b>9,00,000</b>  | <b>9,00,000</b>  |

**NOTE 1(i): RECONCILIATION OF SHARES OUTSTANDING AT THE BEGINNING AND AT THE END OF THE REPORTING PERIOD**

| PARTICULARS                                 | AS AT 31-03-2021 | AS AT 31-03-2020 |
|---------------------------------------------|------------------|------------------|
|                                             | No. of Shares    | No. of Shares    |
| Equity Shares at the beginning of the year  | 900,000          | 900,000          |
| Shares Issued during the year - Fresh Issue | -                | -                |
| Shares outstanding at the end of the year   | <b>900,000</b>   | <b>900,000</b>   |

**NOTE 1(ii): TERMS AND RIGHTS ATTACHED TO EQUITY SHARES**

1. The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. Any shareholder whose name is entered in the Registrar of Members of the Company shall enjoy the same rights and be subject to the same liabilities as all other shareholders of the same class.
2. Dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The Company in general meeting can't declare dividend in excess of the amount recommended by the Board. Dividend as declared in the ensuing Annual General Meeting, shall be distributed within the period provided in section 127 of the Companies Act 2013.
3. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts and liabilities in the proportion of no. of equity shares held by shareholders.

**NOTE 1(iii): DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5 % SHARES IN THE COMPANY**

| PARTICULARS                 | AS AT 31-03-2021 | AS AT 31-03-2020 |
|-----------------------------|------------------|------------------|
|                             | No. of Shares    | No. of Shares    |
| Equity shares of Rs 10 each |                  |                  |
| S.Saravanan                 | 2,00,000(22.22%) | 2,00,000(22.22%) |
| B.Prabhakaran               | 2,00,000(22.22%) | 2,00,000(22.22%) |
| E.Surendra Babu             | 2,00,000(22.22%) | 2,00,000(22.22%) |
| J.Bhaskar                   | 2,00,000(22.22%) | 2,00,000(22.22%) |

As per records of the Company,including its registers of Shareholders/Members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

**PH 1 INDUSTRIES PRIVATE LTD**

**NOTE 2: RESERVES AND SURPLUS**

| PARTICULARS                           | AS AT 31-03-2021 | AS AT 31-03-2020 |
|---------------------------------------|------------------|------------------|
|                                       | Rs.              | Rs.              |
| (a) General Reserve                   | -                | -                |
| (b) Excess in Profit and Loss Account |                  |                  |
| Opening Balance                       | 1,832,752        | (353,467)        |
| Add: Current year c/f                 | 1,687,454        | 2,186,219        |
| Closing Balance                       | 3,520,206        | 1,832,752        |
| <b>TOTAL RESERVES</b>                 | <b>3,520,206</b> | <b>1,832,752</b> |

**NOTE 3: LONG TERM BORROWINGS**

| PARTICULARS              | AS AT 31-03-2021 | AS AT 31-03-2020 |
|--------------------------|------------------|------------------|
|                          | Rs.              | Rs.              |
| IDBI Term Loan           | -                | 331,990          |
| Less: Current Maturities |                  | 110,000          |
| <b>Closing Balance</b>   | <b>-</b>         | <b>221,990</b>   |

(\* Term Loan is Primarily Secured with Hypothecation of Plant and Machinery and Collateral Security on Immovable property with IDBI Bank ,Ameerpet branch and the interest rates are based on Base rate linked & current base rate is 10% and the base rate is subject to changes in base rate)

**NOTE 4: DEFERRED TAX**

| PARTICULARS                | AS AT 31-03-2021 | AS AT 31-03-2020 |
|----------------------------|------------------|------------------|
|                            | Rs.              | Rs.              |
| (a) Deferred Tax Liability | 1,312,732        | 1,213,336        |
| (b) Deferred Tax Asset     | -                | -                |
| <b>Closing Balance</b>     | <b>1,312,732</b> | <b>1,213,336</b> |

**NOTE 5: SHORT TERM BORROWINGS**

| PARTICULARS                    | AS AT 31-03-2021 | AS AT 31-03-2020 |
|--------------------------------|------------------|------------------|
|                                | Rs.              | Rs.              |
| INDUSIND Bank OD               | 9,992,733        | -                |
| Term Loan - Current Maturities | -                | 110,000          |
| <b>Closing Balance</b>         | <b>9,992,733</b> | <b>110,000</b>   |

(\* Bank OD is Primarily Secured with Hypothecation of Factory and Collateral Security on Immovable property with INDUSIND Bank , Balanagar branch and the interest rates are based on Base rate linked & current base rate is 10% and the base rate is subject to changes in base rate)

**NOTE 6: TRADE PAYABLES**

| PARTICULARS                     | AS AT 31-03-2021  | AS AT 31-03-2020  |
|---------------------------------|-------------------|-------------------|
|                                 | Rs.               | Rs.               |
| Creditors for Expenses & Others | 2,152,494         | 2,098,690         |
| Creditors for Raw Materials     | 25,427,432        | 31,883,754        |
| <b>Closing Balance</b>          | <b>27,579,927</b> | <b>33,982,444</b> |

**NOTE 7: OTHER CURRENT LIABILITIES**

| PARTICULARS                | AS AT 31-03-2021 | AS AT 31-03-2020 |
|----------------------------|------------------|------------------|
|                            | Rs.              | Rs.              |
| Audit Fee Payable          | 16,350           | 61,350           |
| Accounting Charges Payable | 45,000           | -                |
| TDS Payable                | 161,800          | 258,707          |
| Advance from Parties       | -                | 72,880           |
| Duties&Taxes               | 1,385,164        | 239,640          |
| Other Current Liabilities  | 46,371           | 14,050           |
| <b>Closing Balance</b>     | <b>1,654,685</b> | <b>646,627</b>   |

**NOTE 8: SHORT TERM PROVISIONS**

| PARTICULARS              | AS AT 31-03-2021 | AS AT 31-03-2020 |
|--------------------------|------------------|------------------|
|                          | Rs.              | Rs.              |
| Provision for Income Tax | 297,598          | 358,010          |
| Salaries Payable         | 1,016,172        | 873,591          |
| <b>Closing Balance</b>   | <b>1,313,770</b> | <b>1,231,601</b> |

**NOTE 10: TRADE RECEIVABLES**

| PARTICULARS                                     | AS AT 31-03-2021  | AS AT 31-03-2020  |
|-------------------------------------------------|-------------------|-------------------|
|                                                 | Rs.               | Rs.               |
| Debts outstanding for period exceeding 6 Months | -                 | -                 |
| Unsecured, but considered good                  | -                 | -                 |
| Other Debts                                     | -                 | -                 |
| Unsecured, but considered good                  | 27,568,155        | 13,721,063        |
| <b>Closing Balance</b>                          | <b>27,568,155</b> | <b>13,721,063</b> |

**NOTE 11: CASH AND CASH EQUIVALENTS**

| PARTICULARS            | AS AT 31-03-2021 | AS AT 31-03-2020 |
|------------------------|------------------|------------------|
|                        | Rs.              | Rs.              |
| Cash on hand           | 10,904           | 33,340           |
| Balance with banks     |                  |                  |
| -HDFC                  | -                | -                |
| -IDBI                  | 10,471           | 392,973          |
| IDBI Bank Credit Card  | -                | 388,763          |
| <b>Closing Balance</b> | <b>21,375</b>    | <b>815,076</b>   |

**NOTE 12: OTHER CURRENT ASSETS**

| PARTICULARS             | AS AT 31-03-2021 | AS AT 31-03-2020 |
|-------------------------|------------------|------------------|
|                         | Rs.              | Rs.              |
| MAT Credit              | 868,056          | 691,285          |
| Deposits                | 227,700          | 20,800           |
| Advance to Suppliers    | 1,281,676        | 356,720          |
| GST input               | -                | 425,105          |
| Income tax Refund 16-17 | 6,068            | 6,068            |
| Income tax Refund 19-20 | 17,514           | -                |
| TDS Receivable 19-20    | 8,581            | 34,105           |
| TDS Receivable 20-21    | 15,278           | -                |
| TCS Receivable          | 279              | -                |
| Salary Advances         | 525,200          | 373,261          |
| Advance Tax             | -                | 350,000          |
| Interest receivable     | 25,614           | 9,099            |
| other current assets    | 375,475          | 375,375          |
| <b>Closing Balance</b>  | <b>3,351,440</b> | <b>2,641,817</b> |

**PH1 INDUSTRIES PRIVATE LIMITED**

**Deferred Taxation Calculation**

|                                            |         |
|--------------------------------------------|---------|
| Depreciation as per Companies Act:         | 748,439 |
| Preliminary Expenses as per Companies Act: | -       |

|                                             |           |
|---------------------------------------------|-----------|
| Depreciation as per Income Tax Act:         | 1,130,731 |
| Preliminary Expenses as per Income tax Act: | -         |

| Particulars                             | Opening | Charge/(Credit) to<br>P/L | Closing          |
|-----------------------------------------|---------|---------------------------|------------------|
| Deferred Tax Liability                  | -       | 99,396                    | 99,396           |
| Total (A):                              | -       | 99,396                    | 99,396           |
| Deferred Tax Asset                      |         | -                         | -                |
| Total (B):                              | -       | -                         | -                |
| Total (A-B):                            | -       | 99,396                    | 99,396           |
| Opening Deffered Tax Liability (Asset)  |         |                           | 1,213,336        |
| Net Deffered Tax Asset For Current Year |         |                           | <u>1,312,732</u> |

If negative, DTA    If negative, DTA  
If positive, debit P/L    If positive, DTL

**PH 1 INDUSTRIES PRIVATE LTD**

**NOTE 13: INCOME FROM SALES**

| PARTICULARS             | For the Year ended<br>31-03-2021 | For the Year ended<br>31-03-2020 |
|-------------------------|----------------------------------|----------------------------------|
|                         | Rs                               | Rs                               |
| Revenue from Operations | 72,958,082                       | 87,209,338                       |
| Less:GST                | 11,186,347                       | 11,956,838                       |
| <b>Total</b>            | <b>61,771,735</b>                | <b>75,252,500</b>                |

**NOTE 14: OTHER INCOME**

| PARTICULARS          | For the Year ended<br>31-03-2021 | For the Year ended<br>31-03-2020 |
|----------------------|----------------------------------|----------------------------------|
|                      | Rs                               | Rs                               |
| Discount Received    | -                                | -                                |
| Interest Income      | 19,526                           | 84,768                           |
| Miscellaneous Income | 55,262                           | 20,294                           |
| <b>Total</b>         | <b>74,788</b>                    | <b>105,062</b>                   |

**NOTE 15: COST OF MATERIAL CONSUMED**

| PARTICULARS                                     | For the Year ended<br>31-03-2021 | For the Year ended<br>31-03-2020 |
|-------------------------------------------------|----------------------------------|----------------------------------|
|                                                 | Rs                               | Rs                               |
| RAW MATERIALS                                   |                                  |                                  |
| Opening stock                                   | 12,036,422                       | 8,534,355                        |
| Add: Purchases                                  | 31,900,503                       | 53,518,324                       |
| Add (Less:) Raw material received (transferred) | -                                | -                                |
| Less: Closing stock                             | 12,722,606                       | 12,036,422                       |
| <b>Total</b>                                    | <b>31,214,319</b>                | <b>50,016,257</b>                |

**NOTE 16: PERSONNEL COST**

| PARTICULARS                    | For the Year ended<br>31-03-2021 | For the Year ended<br>31-03-2020 |
|--------------------------------|----------------------------------|----------------------------------|
|                                | Rs                               | Rs                               |
| Salaries, Bonus and Incentives | 13,824,274                       | 11,095,572                       |
| Staff Welfare Exp              | 349,113                          | 195,390                          |
| Director's Remuneration        | 3,360,000                        | 2,800,000                        |
| PF Employer contribution       | 152,584                          | 144,878                          |
| ESI Employer contribution      | 62,411                           | 63,774                           |
| <b>Total</b>                   | <b>17,748,381</b>                | <b>14,299,614</b>                |

**PH 1 INDUSTRIES PRIVATE LTD**

**NOTE 17: FINANCE COST**

| PARTICULARS           | For the Year ended<br>31-03-2021 | For the Year ended<br>31-03-2020 |
|-----------------------|----------------------------------|----------------------------------|
|                       | Rs                               | Rs                               |
| Bank Charges          | 23,083                           | 24,683                           |
| Interest on Term Loan | 17,216                           | 121,846                          |
| OD Interest           | 395,966                          | 81,446                           |
| <b>Total</b>          | <b>436,265</b>                   | <b>227,975</b>                   |

**NOTE 18: OTHER EXPENSES**

| Particulars                                      | For the Year ended<br>31-03-2021 | For the Year ended<br>31-03-2020 |
|--------------------------------------------------|----------------------------------|----------------------------------|
|                                                  | Rs                               | Rs                               |
| <b>MANUFACTURING &amp; OTHER DIRECT EXPENSES</b> |                                  |                                  |
| Power and fuel                                   | 1,141,683                        | 1,150,806                        |
| Factory Maintenance                              | 466,700                          | 327,438                          |
| Freight Inward                                   | 993,963                          | 870,713                          |
| Jobwork Charges                                  | 2,960,354                        | 919,235                          |
| Permissions & Licence Fee                        | 22,010                           | 7,489                            |
| - Production Consumables                         | 695,525                          | 379,893                          |
| - QC and R&D Consumables                         | -                                | -                                |
| - Service Consumables                            | -                                | -                                |
| Wages                                            | 405,390                          | 27,640                           |
| Contractors                                      | 154,759                          | 1,798,254                        |
| Safety Manpower Charges                          | -                                | 172,844                          |
|                                                  | <b>6,840,383</b>                 | <b>5,654,312</b>                 |
| <b>ADMINISTRATIVE AND SELLING EXPENSES</b>       |                                  |                                  |
| Rent                                             | 531,000                          | 176,000                          |
| Repairs and maintenance                          | 134,173                          | 94,545                           |
| Rates and taxes excluding taxes on income        | 81,729                           | 49,693                           |
| Traveling and conveyance                         | 518,227                          | 1,062,435                        |
| Telephone & Internet Expenses                    | 47,384                           | 41,807                           |
| Marketing Expenses                               | 42,689                           | 349,338                          |
| Commission on Sales                              | 851,446                          | 102,715                          |
| Technical, Professional & Consultancy Charges    | 317,000                          | 31,987                           |
| Office Maintenance                               | 220,205                          | 90,150                           |
| Printing and stationery                          | 34,255                           | 101,616                          |
| Miscellaneous expenses                           | 172,952                          | 98,603                           |
|                                                  | <b>2,951,059</b>                 | <b>2,198,889</b>                 |
| <b>Total</b>                                     | <b>9,791,443</b>                 | <b>7,853,201</b>                 |

**PH 1 INDUSTRIES PRIVATE LTD**

**NOTE 9: FIXED ASSETS**

(Amount in Rupees)

| Particulars          | DEPRECIATION/AMORTISATION |                  |              |                    | NETBLOCK            |                    |
|----------------------|---------------------------|------------------|--------------|--------------------|---------------------|--------------------|
|                      | AS ON<br>31-03-2020       | Additions        | (Deductions) | AS ON<br>31-3-2021 | AS ON<br>31-03-2020 | AS ON<br>31-3-2021 |
| Land                 | 8,300,000                 | -                | -            | -                  | -                   | 8,300,000          |
| Building             | 3,188,735                 | -                | -            | 86,571             | 544,376             | 2,644,359          |
| Plant & Machinery    | 9,492,309                 | 634,699          | -            | 479,122            | 2,833,902           | 7,293,106          |
| Computers            | 348,316                   | 221,370          | -            | 98,545             | 234,772             | 334,914            |
| Electrical Items     | 703,632                   | 178,916          | -            | 57,077             | 295,671             | 586,877            |
| Furniture            | 164,836                   | 75,210           | -            | 17,260             | 55,228              | 184,818            |
| Printer              | 11,525                    | -                | -            | 2,071              | 2,695               | 8,830              |
| Office Equipment     | 165,376                   | -                | -            | 7,793              | 132,152             | 33,224             |
| <b>Total</b>         | <b>22,374,729</b>         | <b>1,110,195</b> | <b>-</b>     | <b>748,439</b>     | <b>4,098,796</b>    | <b>19,386,128</b>  |
| <b>Previous Year</b> | <b>21,832,853</b>         | <b>541,876</b>   | <b>-</b>     | <b>665,578</b>     | <b>3,350,357</b>    | <b>19,024,372</b>  |
|                      |                           |                  |              |                    |                     | <b>19,148,074</b>  |

**DEPRECIATION SCHEDULE UNDER INCOME TAX ACT**

| S.No.                 | Particulars              | Rate of Dep | VALUE OF ASSET |                 |                |             |            | As on 31.03.21 | Normal Depreciation | Additional Depreciation |
|-----------------------|--------------------------|-------------|----------------|-----------------|----------------|-------------|------------|----------------|---------------------|-------------------------|
|                       |                          |             | As on 01.04.20 | Additions       |                | (Deletions) |            |                |                     |                         |
|                       |                          |             |                | Before 30.09.20 | After 30.09.20 |             |            |                |                     |                         |
| I                     | LAND                     | 0%          | 8,300,000      | -               | -              | -           | 8,300,000  | -              | -                   |                         |
| I                     | PLANT & MACHINERY        |             |                |                 |                |             |            |                |                     |                         |
|                       | Computers                | 40%         | 180,877        | 88,787          | 132,583        | -           | 267,865    | 134,382        | -                   |                         |
|                       | Electrical Installations | 15%         | 375,182        | 178,916         | -              | -           | 470,983    | 83,115         | -                   |                         |
|                       | Plant & Machinery        | 15%         | 3,887,371      | 602,403         | 32,296         | -           | 3,842,953  | 675,888        | 3,230               |                         |
|                       | Vehicle                  | 15%         | -              | -               | -              | -           | -          | -              | -                   |                         |
|                       | Office Equipment         | 15%         | 76,723         | -               | -              | -           | 65,215     | 11,508         | -                   |                         |
| II                    | Office Building          | 10%         | 1,991,036      | -               | -              | -           | 1,791,932  | 199,104        | -                   |                         |
|                       | Printer                  | 40%         | 9,220          | -               | -              | -           | 5,532      | 3,688          | -                   |                         |
|                       | FURNITURE & FITTINGS     |             |                |                 |                |             |            |                |                     |                         |
|                       | Furniture & Fittings     | 10%         | 122,950        | 75,210          | -              | -           | 178,344    | 19,816         | -                   |                         |
|                       | Total                    |             | 14,943,359     | 945,316         | 164,879        | -           | 14,922,824 | 1,127,501      | 3,230               |                         |
| Previous Year Figures |                          |             | 16,089,602     | 299,700         | 336,474        | -           | 15,478,780 | 1,128,684      | 118,312             |                         |

## **SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**

### **1. PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS.**

#### **A. BASIS OF PREPARATION:**

The financial statements are prepared under the historical cost convention, in accordance with Generally Accepted Accounting Principles in India (Indian GAAP), the mandatory accounting standards issued by the Institute of Chartered Accountant of India and the provisions of the Companies Act, 2013, as adopted consistently by the company.

#### **B. USE OF ESTIMATES:**

The presentation of financial statements in conformity with the Indian GAAP requires estimates and assumptions to be made that affect the reported amount of revenues and expenses during the reporting period. Difference between the actual and estimates are recognized in the period in which the results are known /materialized.

### **2. FIXED ASSETS:**

- a) Fixed assets are stated at the cost of acquisition including incidental cost related to acquisition and installation and excluding the GST wherever availed.
- b) Depreciation on the Fixed Assets of the Company is provided on written down value method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II of the Companies Act, 2013

### **3. EXPENDITURE:**

Expenses are accounted on the accrual basis and provisions are made for all known losses and liabilities.

### **4. BORROWING COSTS:**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

### **5. PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:**

A Provision is recognized if, as a result of past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined based on the best estimate required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of out flow of resources is remote, no provision or disclosure is made.

## **6. EARNINGS PER SHARE:**

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value which is the average market value of the outstanding shares. Dilutive potential equity shares are deemed converted as of the beginning period, unless issued at later date. Dilutive potential equity shares are determined independently for each period presented.

The Number of shares are potentially dilutive shares are adjusted retrospectively for all periods presented for any share splits and bonus shares including for changes effected prior to the approval of the financial statements by the Board of Directors.

## **7. IMPAIRMENT OF ASSETS:**

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that if a

previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

## **8. CASH AND CASH EQUIVALENTS:**

Cash and Cash Equivalents comprise cash at bank and in hand and short term investments with an original maturity of three months or less. The Bank deposits having original maturity of more than 3 months but less than or equal to 12 months from date of deposit are classified as other Bank balances.

## **9. TREATMENT OF RETIREMENT BENEFITS:**

- a) Gratuity: Gratuity Act provisions are not applicable.
- b) Provident Fund: Company has been registered with provident fund administered by the Central Government under the PF Act 1952.

## **10. FOREIGN CURRENCY TRANSACTION:**

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of transaction.

## **11. INCOME TAX ON EXPENSES**

Income tax comprises current and deferred income tax. Income tax expense is recognized in net profit in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising

between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as

income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Deferred income taxes are not provided on the undistributed earnings of subsidiaries and branches where it is expected that the earnings of the subsidiary or branch will not be distributed in the foreseeable future.

## 12. MANAGERIAL REMUNERATION:

| SL. No. | Particulars               | Current Year (Rs.) | Previous Year (Rs.) |
|---------|---------------------------|--------------------|---------------------|
| 1       | Saravanan Saminathan      | 8,40,000           | 7,00,000            |
| 2       | Prabakaran Bhaskaran      | 8,40,000           | 7,00,000            |
| 3       | Surendra Babu Ellappa Raj | 8,40,000           | 7,00,000            |
| 4       | Bhaskar Jaganathan        | 8,40,000           | 7,00,000            |
|         | <b>Total</b>              | <b>33,60,000</b>   | <b>28,00,000</b>    |

Accounting Policies form an integral part of the balance sheet and shall be construed accordingly.

For MSPR& Co.,

Chartered Accountants

Firm No. 0101525

  
CA E Venkatesh

Partner

Membership No: 241397

UDIN: 21241397AAAAJY8495

For and behalf of the board of directors of

Ph1 Industries Private Limited



  
B. Prabakaran

Director

Din No: 07074224

  
E. Surendra Babu

Director

Din No: 07074257

Place: Hyderabad

Date: 01-10-2021